SHARENET COMMUNICATIONS
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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FCC MAIL BRANCH

July 3, 1992

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RE: CC Docket 92-77, Billed Party Preference

Dear Secretary:

Enclosed are the original and five copies of the comments of National Brands, Inc. d/b/a Sharenet Communications Company in CC Docket No. 92-77 regarding Billed Party Preference.

Questions regarding this filing may be directed to me at (602) 269-3201.

Respectfully,

SHARENET COMMUNICATIONS COMPANY

Gary Joseph

Gary Joseph
Vice President

GJ:dc

Enclosure

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OCT 6 1992

FCC MAIL BRANCH

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Billed Party Preference for 0+ InterLATA Calls	))	CC Docket No. 92-77

COMMENTS OF SHARENET COMMUNICATIONS COMPANY
ON BILLED PARTY PREFERENCE

Billed Party Preference would impose a market structure contrary to the Commission's policy of fostering competition in the telecommunications industry. Implementation of Billed Party Preference would eliminate the telecommunication markets in which Sharenet Communications Company operates: the provision of payphones and operator services.

National Brands, Inc. d/b/a Sharenet Communications Company ("Sharenet") operates pay telephones (including "Store-and-forward" smart phones) in Arizona and provides operator assisted services to the transient public served at hotels, motels, hospitals and payphones in Arizona and California. Sharenet's services allow callers to place collect, third party, calling card, credit card or person-to-person calls. To help control costs and improve network efficiencies, Sharenet installs store-and-forward payphones at certain locations to reduce dependence on live operator assistance and lower network transmission costs.

The Commission tentatively suggests an amendment to Part 68 of the Commission's rules to preclude traffic aggregators and payphone providers from using automatic dialing mechanisms to program their phones to dial around Billed Party Preference.1 If this rule is added, all and store-and-forward telecommunications equipment will become obsolete through regulation. This equipment, whether it is pay telephone or PBX-type equipment, automates the operator assistance function within the equipment. Billing information is collected and stored within the equipment. Smart equipment processes not only calling/credit card calling, but also processes automated collect calling. Through voice storage and retrieval in conjunction with detection of a positive response from the called party, callers may make collect calls without live operator intervention.

These automated equipment providers are operator service providers as defined under the Commission's rules. <u>These automated call functions cannot work in conjunction with the Commission's proposed Billed Party Preference scenario.</u> Since the call is handled completely by the premises equipment and transmitted as a 1+ call over the presubscribed line, the LIDB system would never be queried. The equipment used to make the call is the operator service provider for the call. In other words, imposition of Billed Party Preference is completely inconsistent with the use of this proven, efficient use of automated technology and would effectively wipe out the substantial capital investment of the hundreds of automated equipment providers.

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1. NPRM CC Docket 92-77 paragraph 31.

Billed Party Preference, as described in Judge Greene's October 14, 1988, order in Civil Action 82-0192 (presubscription of LEC public phones) was only meant to apply to local exchange company public pay telephones. According to Greene's order, Billed Party Preference would provide for the ability of the billed party to select the carrier to "eliminate any threat of discrimination by the Regional (Bell Holding) Companies." A distinction must be made between LEC Public Payphones and private payphones since private payphones are actually the "billed party" for LEC services. It is inappropriate for this Commission to extend Judge Greene's plan of Billed Party Preference for LEC Public Phones to the private sector of the industry.

As a provider of operator services, Sharenet objects to Billed Party Preference for a number of reasons. First, Billed Party Preference will, without doubt, increase the costs of processing calls. The result: increased costs to both the service provider and ultimately, the consumer. Second, Billed Party Preference will eliminate all operator service providers except those with a substantial "1+" customer base. This is due to the simple fact that consumers will choose the same provider for "0" services as they use for their "1+" service. Operator service providers have neither the resources nor the market clout to obtain a substantial "1+" customer base when faced against giants such as AT&T, MCI, and Sprint. Third, consumers are already provided the opportunity to choose their carrier each and every time they make a telephone call. The Commission's current rules ensure that consumers are informed of their choices and are able to exercise the right to choose.

In the short time that competitive operator service providers have been in business, competitive pressures have brought innovative services to consumers. These services include debit cards, message forwarding, multi-lingual operators, enhanced emergency call handling and efficient, automated technology. Elimination of competitive pressures will reduce incentives for the remaining carriers to improve consumer services or to reduce costs through technological innovation.

CONCLUSION

To require the implementation of a costly, inefficient and technically difficult system such as Billed Party Preference is to impose a burden on carriers and consumers for which no additional benefits will be realized. In fact, imposition of Billed Party Preference will have a substantial negative impact on the competitive pay telephone market that will ultimately decrease the choices available to consumers.

The Commission should find that Billed Party Preference is not in the public interest.

Respectfully submitted,

By: Gary Joseph

Gary Joseph
Vice President - Communications
National Brands, Inc.
d/b/a Sharenet Communications Company
4633 West Polk Street
Phoenix, Arizona 85043

Dated July 3, 1992